

Message Text

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TO ALEAP

DEPT OF THE TREASURY

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMCONSUL HONG KONG

AMCONSUL NHA TRANG

USDEL JEC PARIS

INFO USSAGE

CINCPAC

COGARD

AMEMBASSY BUDAPEST BY POUCH

AMEMBASSY SUVA

AMEMBASSY RANGOON

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COGARD FOR POLAD

C O R R E C T E D C O P Y: OMISSION PARA 3 LINE TWO AND THREE

E.O. 11652: N/A

TAGS: PFOR, XC, US

SUBJECT: JANUARY 10 EA PRESS SUMMARY

1. INDOCHINA

RESPONDING TO SVN CALL FOR HELP, ADMIN IS CONSIDERING
SUPPLEMENTAL, HAS BEEN QUIETLY PREPARING TO INTRODUCE
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300 MILLION DOL REQUEST TO RESTORE CONGRESSIONAL CUT
(AP, BALTO N-A 1/9). NESSEN DECLINED TO CONFIRM PRESS
REPORTS THAT PRES IS CONSIDERING ASKING FOR 300 MILLION
MORE NOW, THOUGH WH GIVING "INTENSIVE CONSIDERATION"

TO ASKING CONGRESS FOR ADDITIONAL MIL AID FOR SVN AND CAMBODIA BECAUSE OF COMMUNIST OFFENSIVES (CHITRIB). SEVERAL PAPERS QUOTE MANSFIELD, BACK FROM ASIA TRIP, THAT CONGRESS WOULD RESIST ADMIN EFFORTS TO GIVE MORE MIL AID TO SVN AND CAMBODIA SINCE MORE AID "MEANS MORE KILLING, MORE FIGHTING ...THIS HAS GOT TO STOP SOME TIME". SUN'S MILLS SAYS FORD HAS ALREADY RULED OUT DIRECT MIL SUPPORT BY US TROOPS BECAUSE OF CONGRESSIONAL PROHIBITION. REPORTS US DIPLOMATS ARE PESSIMISTIC ABOUT CHANCES OF SURVIVAL OF GVN AND GKR WITHOUT US INFUSION, BUT NEITHER DIPLOMATS NOR CONGRESSMEN GIVE HAK MUCH CHANCE OF TURNING CONGRESS AROUND.

S-N'S JOHNSTON (1/9) NOTES THAT SUPPLEMENTAL REQUEST WILL BE MADE TO CONGRESS THAT MAY BE EVEN LESS SYMPATHETIC

TO IT THAN LAST ONE. HILL HOLDOVERS EXPECT INTENSE ADMIN LOBBYING WHILE STATE DEPT "MOUNTS ITS CRUSADE" FOR EXECUTIVE DISCRETION OVER FOREIGN POLICY, AND SECDEF CAN BE EXPECTED TO "RETURN TO LAST YEAR'S THEME" THAT US OWES IT TO SVN TO KEEP IT AFLOAT. SEES GROUNDWORK FOR CAMPAIGN ALREADY LAID WHEN PRES WON OVER SPARKMAN TO VIEW THAT MIL AID TO SVN SHOULD REMAIN IN DOD BUDGET FOR EXTRA YEAR. BELIEVES CAMPAIGN WILL BE EXTENDED TO CAMBODIA WHERE DOD HAS BEEN SPENDING AT NEARLY TWICE THE BUDGETED RATE THIS FY, SAYS ADMIN SUFFERED DEFEAT WHEN FOREIGN AID BILL LIMITED EMERGENCY SPENDING FOR GKR TO 75 MILLION. DOD IS PASSING WORD THAT ALL MONEY, INCLUDING THE 75 MILLION, WILL BE GONE BY APRIL.

AFTER INTERVIEWS WITH KEY HILL FIGURES, CSM'S HEY SAYS ADMIN FACES STRONG OPPOSITION TO MORE AID. QUOTES MANSFIELD IN TELEPHONE INTERVIEW THAT HE IS NOT CERTAIN THAT ADMIN COULD GET IT SINCE CONGRESS "HAS HAD THEIR FILL" OF SEA. JAVITS THINKS CONGRESS WILL GIVE EXTRA 300 MILLION DOLS BECAUSE OF "MAJOR COMMITMENT" GIVEN WHEN US TROOPS PULLED OUT OF SVN TO AID IT FOR THREE YEARS, UNCLASSIFIED

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BUT APPROVAL WILL COME ONLY IF CONGRESS CONVINCED SVN HAS GOOD CHANCE TO SURVIVE IF IT RECEIVES AID AND IF THIEU HAS TAKEN STEPS TOWARD "INCREASED DEMOCRACY." HEY SAYS MANSFIELD REJECTED WHAT IS EXPECTED TO BE ADMIN'S MAJOR ARGUMENT: THAT WE HAVE SPENT SO MUCH IN SVN THAT "COMPARATIVELY LITTLE" MORE SHOULD BE PROVIDED TO ENABLE GVN TO REPEL NVN OFFENSIVE, AND SAID "WE'VE ALREADY PAID TOO HIGH A PRICE..."

KIRKPATRICK (WP, GLOBE) SEES FORD HEADED FOR CONFRONTATION WITH CONGRESS ON "ONE OF THE NATION'S MOST EMOTIONAL QUESTIONS." QUOTES MANSFIELD THAT

"IT IS UP TO THOSE PEOPLE TO SETTLE THEIR DIFFERENCES IN THEIR OWN WAY. THEY ARE GOING TO HAVE TO DO IT SOMETIME..." MCGOVERN SAW "NO POSSIBILITY" CONGRESS WILL APPROVE INCREASE AND PREDICTED COLLAPSE IN SVN. BUT STENNIS SAID HE WOULD TAKE LEAD IN HELPING GET MORE AID IF "THERE IS REAL PROOF" OF NEED.

INFORMED SOURCES IN JAPAN SAID UNITS OF THIRD MARINE DIV ON OKINAWA WERE PLACED ON ALERT, PRESUMABLY BECAUSEQ OF MOUNTING TENSION IN SVN AND CAMBODIA (AP, SUN; WP). JAPANESE NEWSPAPERS REPORTED MARINES WERE ALERTED TO RESCUE AMERICANS IN SVN IF SITUATION DETERIORATES FURTHER (CHITRIB). USMC SPOKESMAN DENIED REPORTS (WP; CHITRIB).

DESPITE DOD DENIALS, US CIVILIANS IN SAIGON AND COMMUNIST OFFICIALS CLAIM ENTERPRISE TASK FORCE IS IN GULF OF THAILAND OFF SVN'S SW COAST. SOURCES SAID THAT FORCE WILL "SHOW THE FLAG" FOR A DAY OR TWO, THEN JOIN SEATO EXERCISES IN INDIAN OCEAN (CHITRIB). AP REPORTS DOD AND NAVY REFUSED TO DISCUSS TASK FORCE DESTINATION, BUT PENTAGON SOURCES SAID CARRIER GROUP LIKELY TO ENTER STRAIT OF MALACCA TODAY (SUN).

US MIL SPOKESMAN IN BANGKOK SAID AMMO FROM STOCKPILES IN THAILAND BEING SHIPPED TO SVN (WP; CHITRIB; UPI, GLOBE). US EMBASSY SAIGON DENIES EMERGENCY AMMO FROM THAILAND FLOWN INTO SVN (REUTER SAIGON). UNCLASSIFIED

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EMBASSY SPOKESMAN ANNOUNCED USAF CHIEF OF STAFF JONES IS SCHEDULED TO ARRIVE SAIGON ON SATURDAY FOR ONE DAY VISIT "NOT DIRECTLY CONNECTED" WITH MIL SITUATION (REUTER AND UPI, SAIGON).

REV THANH TOLD RALLY IN SAIGON SUBURB THAT THIEU MUST BE HELD RESPONSIBLE FOR PHUOC LONG LOSS AND AGAIN CALLED FOR HIS OUSTER (WP). THANH SAID MORE LAND WILL FALL TO COMMUNISTS AS LONG AS COUNTRY IS RULED BY THIEU AND HIS CORRUPT OFFICIALS (AP SUN, NYDN).

INDO FONMIN MALIK SAID ESCALATING VN WAR 2RAISES THE DANGER AGAIN" OF INCREASED US INVOLVEMENT IN CONFLICT (AP, SUN).K

CSM'S SOUTHERLAND IN SAIGON REPORTS SVN BRACING FOR MORE ATTACKS BUT NO ONE KNOWS WHERE, PERHAPS BINH DINH OR TAY NINH. SEVERAL WESTERN ANALYSTS BELIEVE COMMUNISTS WILL KEEP HITTING BIGGER TARGETS, STOP SHORT OF GENERAL OFFENSIVE, AND BE MORE SELECTIVE - ATTACKING ONE AREA IN FORCE AND BRINGING IT UNDER CONTROL BEFORE HITTING ANOTHER. PHUOC BINH FALL GAVE THIEU OPPORTUNITY TO ASK

FOR MORE US AID. LOSS REVEALED SERIOUS WEAKNESSES IN GVN WAR MACHINE: IT WAS SLOW TO REINFORCE, AND AIR SUPPORT WAS BADLY COORDINATED AND INADEQUATE. PHUOC LONG IS HARDLY KEY PROVINCE, BUT COMMUNISTS GRABBED IMPORTANT PIECE OF ROAD, HIT ARVN MORALE AND APPARENTLY INFLICTED SERIOUS LOSSES ON ELITE TROOPS.

VC CHARGE THAT VNAF DROPPED NAPALM AND GASOLINE ON LOC NINH; GVN SPOKESMAN SYAS ONLY MIL INSTALLATION AND DEPOTS WERE BOMBED (JOHNSTON, S-N 1/9) VC ACCUSE GVN OF BOMBING LOC NINH FOR THIRD STRAIGHT DAY, CAUSING HEAVY CASUALTIES AND DESTROYING HUNDREDS OF HOMES, MARKETPLACE, CATHOLIC CHURCH AND PAGODAS (AP SUN, NYDN; WP).

FIELD REPORTS SAY REFUGEES ARE SWARMING INTO SAIGON FROM TAY NINH AS FEARS SPREAD THAT IT WILL BE NEXT TARGET. EXODUS STARTED FOLLOWING PHUOC BINH FALL UNCLASSIFIED

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(CHITRIB, WP).

FIELD REPORTS SAY HEAVY FIGHTING ERUPTED TODAY IN BONG SON AREA OF CENTRAL COAST 300 MILES NE OF SAIGON, WHERE SVN FORCES SEEK TO BLOCK NVA PUSH (AP NYT, SUN, NYDN, BALTO N-A 1/9). ARVN COMMAND SAYS COMMUNIST ATTACKS ON MIL INSTALLATIONS NEAR BONG SON REPULSED (JOHNSTON, S-N 1/9; CHITRIB; WP).

WP'S DIUGUID DESCRIBES ISOLATED PHUOC LONG PROVINCE WHOSE PRIMITIVE TRIBES WERE ILL-TREATED BY BOTH SIDES, ACCORDING TO TWO AMERICANS WHO SERVED THERE IN PAST YEARS. BOTH BELIEVE THAT MUCH PRESS COVERAGE OF ITS FALL WAS DISTORTED, AGREE THAT ITS LOSS "AFFECTS NOTHING MILITARILY." CAMPBELL, WHO WAS USAID CONTRACTOR, SAID GVN USED PROVINCE AS DUMPING-GROUND FOR MEDIOCRE OFFICERS, AND THAT LOT OF VIETS "DON'T KNOW WHERE PHUOCLONG IS," BUT AGREES WITH SCHEIDIG THAT LOSS HAS HEAVY POLITICAL IMPACT. CAMPBELL CONCLUDED THAT "PEACE DOESN'T EXIST. AMERICAN HONOR DOESN'T EITHER. WE HAD IMPLIED CONTINUING SUPPORT."

LAT'S MCARTHUR (1/8) WRITES OF IMPORTANCE OF GVN LOSS TO COMMUNISTS OF BLACK VIRGIN MOUNTAIN, 70 MILES NW OF CAPITAL. SEES IT AS MORE SIGNIFICANT IN SOME WAYS THAN PHUOC BINH, AND PROVIDES UNEQUALLED POINT FOR RADIO COMMUNICATIONS. NOTES THAT WITH THIS MOUNTAIN AND SIMILAR ONES, ONE TO WEST AND OTHER SOUTH, COMMUNISTS HAVE VAST COMMUNICATIONS TRIANGLE THAT CONNECTS VIRTUALLY ALL FORCES IN LOWER SVN WITH COMMAND CENTER.

WP CARRIES OBIT ON WILLIAM E. BENNETT, NOTES RELIGIOUS

SERVICE WILL BE HELD FOR HIM TODAY.

JACK ANDERSON AND LES WHITTEN (WP) NOTE THAT ELIZABETH (NJ) DAILY JOURNAL HAS BEEN CRUSADING TO KEEP SIX YOUNG VIET STUDENTS FROM BEING SHIPPED OUT OF LA TO SAIGON. SAY PAPER'S APPEAL STARTED WHEN EDITOR LEARNED THAT THEY FACED LIKELIHOOD OF REPRISALS IF FORCED TO GO HOME.

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LAO PROVINCE CAPITAL OF TAKHEK SEIZED BY DISGRUNTLED LAO AND SEALED OFF BY ARMY TO STOP REBELLION FROM SPREADING. RADIO REPORTS SAY
NE KILLED WHEN 300
MARCHED TO SUPPORT STUDENTS WHO DEMAND NEUTRALIZATION OF CITY, END TO CORRUPTION, DISSOLUTION OF NATL ASSEMBLY, AND LOWER COST OF LIVING (UPI, WP).K

KHMER FIELD REPORKHMER FIELD REPORTS SAY SHARP FIGHT ERUPTED ALONG ROUTE ONE THAT LINKS PP TO NEAK LUONG. MIL ANALYSTS SAY REBELS HOPE TO CLOSE ROAD, WHICH IS SUPPLY ARTERY FOR PP (WP; AP, SUN). GKR CHOPPER GUNSHIPS AND GUNBOATS STRIKE REBEL POSITIONS ON MEKONG ISLANDS NEAR BESIEGED FERRY TOWN (REUTER, NYT). NYT FRONT-PAGES LARGE PHOTO BY SCHANBERG OF KHMER VILLAGER PUSHING CART CONTAINING POSSESSIONS AND BODY OF GRANDMOTHER SHOT TO DEATH BY INSURGENTS TEN MILES NW OF PP.

NYT'S SCHANBERG DESCRIBES ROUTE ONE TOWN 15 MILES SE OF PP THAT IS ONLY 500 YARDS FROM REBEL LINES. SOLDIERS' FAMILIES CAMPED IN PAGODA TRY TO LEAD NORMAL LIFE, BUT REBELS EVERY SO OFTEN FIRE MG OR MORTARS TO REMIND OF THEIR PRESENCE. NOTES THAT INSURGENTS HOLD 13-MILE STRETCH OF ROUTE ONE THAT PARALLELS AND COMMANDS MEKONG. WITH ANNUAL DRY SEASON OFFENSIVE ON, FANK MUST SOON TRY TO DISLODGE REBELS FROM ROAD SO CAPITAL CAN BE REPLENISHED, BUT GKR HAS BEEN FORCED TO COMMIT ITS LIMITED RESERVE TROOPS ELSEWHERE TO FACE IMMEDIATE THREAT TO PP.

2. CHINA

PEOPLE'S DAILY SAYS GULF SEPARATING US AND SOVIET CANNOT BE BRIDGED AND IS "MATTER OF LIFE AND DEATH." CONTENTS SOVIET HOPES TO REPLACE US "BY AGGRESSION AND EXPANSION...TRIMMING OFF A LITTLE OF THE US IMPERIALIST FAT," AND THAT US WILL RESPOND BY TRYING TO SEIZE SOVIET "DOMAINS" -- AND RESULTING CONFLICT IS "BOUND TO BE PROLONGED, ALL-EMBRACING AND ABSOLUTE." PAPER ADDS THAT "ON EARTH THERE IS INCREASING TURBULENCE" AND "SITUATION IS GETTING BETTER AND BETTER" FOR WORLDWIDE REVOLUTION (AP, SUN; GLOBE).

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AP WIREPHOTO SHOWS PRC TABLE TENNIS TEAM VISITING LONDON ZOO, WATCHING ANTICS OF TWO GIANT PANDAS (CHITRIB, SUN).

MAO HAD CORDIAL, FRIENDLY CONVERSATION WITH MALTA PREMIER AND PARTY THURSDAY, ACCORDING NCNA (REUTER, NYT).

3. JAPAN

HIROSHIMA MAYOR YAMADA, WHO CALLED FOR WORLDWIDE NUCLEAR WEAPONS BAN, DIED WEDNESDAY AT 76 (AP, SUN).

BOJ GOVERNOR MORINAGA SAID WEDNESDAY BANK WOULD CONTINUE TIGHT MONEY POLICY TO CONTAIN NEWLY DEVELOPED COST-PUSH PRESSURES (AP, (:#8548?).

REUTER (TOKYO) CITES GOJ DECISION TO CONFER THIRD CLASS ORDER OF RISING SUN ON COLUMBIA U PROF DONALD KEENE, FOR WORK IN INTRODUCING JAPANESE LITERATURE ABROAD.

JOC (TOKYO) NOTES DEPARTURE FOR CHINA MONDAY OF 48-MAN PRIVATE BUSINESS MISSION LED BY NIPPON STEEL CORP CHAIRMAN INAYAMA, TO PROMOTE BILATERAL TRADE AND DISCUSS RELATIVELY HIGH PRICE OF CHINA'S CRUDE OIL.

JOC'S CULLISON IN TOKYO SAYS AGRIC OFFICIALS PLAN TO QUESTION ASST SEC YUETTER DURING HIS VISIT TO TOKYO ABOUT THEIR SUSPICIONS THAT US IS URGING OTHER NATIONS TO BUILD 60 MILLION TON FOOD STOCK TO INCREASE GLOBAL DEMAND FOR US FARM PRODUCTS, THUS DRIVE UP PRICES.

4. MONGOLIA

REUTER (MOSCOW) REPORTS MPR TSEDENBAL CHARGE, IN ARTICLE PRINTED IN SOVIET JOURNAL, THAT PRC TROOPS ARE HERDING INFECTED ANIMALS INTO MONGOLIA AND INTRUDING UP TO 13 MILES INTO COUNTRY; CLAIMED CHINESE ALSO STARTED FOREST FIRES AND CHOPPED DOWN
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TIMBER ALONG BORDER (WP, NYT).

5. INDONESIA

INDONESIA ASKS MALAYSIA, SINGAPORE TO PRESENT JOINT CLAIM TO JAPAN FOR DAMAGE CAUSED BY SUPERTANKER

OIL SPILL (WP, GLOBE).

6. KOREA

KIM YOUNG SAM TOLD NDP MEETING YESTERDAY THAT RESIGNATION IS "ONLY HONORABLE WAY" FOR PARK (WP, NYDN). MEANWHILE 15,000 CATHOLICS MET AT SEOUL CATHEDRAL, CALLED ON PARK TO RESIGN, AND PLEDGED TO "TO PRAY TILL DEMANDS MET" (GLOBE).

7. THAILAND

JOC (TOKYO) REPORTS MITI ASKED MARUBENI-IIDA THURSDAY TO RESTUDY PLAN TO BUILD OIL PIPELINE ACROSS KRA ISTHMUS. ADDS GOJ NOW WILLING TO HELP FINANCE PROJECT.

AP BANGKOK (NYT) CITES RTG SOURCE THAT FLOOD DEATH TOLL IN SOUTH NOW 122. SERIOUS DAMAGE TO RUBBER

AND RICE CROPS EXPECTED. REUTER SAYS MIL PLANES, WARSHIPS ORDERED TO TAKE RELIEF SUPPLIES TO STRICKEN AREA.

8. PHILIPPINES

IATA AND INTL UNION OFFICIAL TRAVEL ORGANIZATION PLAN TO HOST WORLD CONFERENCE ON TOURISM AND AIR TRANSPORT IN MANILA, FEB 10 - 14 (JOC).

9. HONG KONG

DOW CHEMICAL PACIFIC AND SHELL COMPLETE STUDY OF FEASIBILITY FOR NEW PETROCHEMICAL COMPLEX IN HK, BUT DECLINED TO MAKE PROPOSAL TO HKG TO DEVELOP PROJECT BECAUSE OF UNCERTAIN OIL SITUATION (JOC).
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10. MALACCA STRAIT

CSM'S LACHICA IN TOKYO SAYS COASTAL STATES MAY RESTRICT SHIPPING IN MALACCA STRAIT FOLLOWING OIL SPILL, WHICH WOULD HIT JAPAN HARDEST. CITES DIPLO SOURCES IN JAPAN WHO EXPECT INDONESIA TO REVIVE PROPOSAL TO DIVERT TANKERS OVER 200,000 TONS THROUGH LOMBOK STRAIT, NOTES MALAYSIA AND SINGAPORE MAY JOIN INDOS IN CHARGING "POLLUTION" FEES. BUT SEES NO IMMEDIATE SANCTIONS, SINCE JURISDICTION OVER INTERNATIONAL STRAITS NOT YET RESOLVED BY LOS CONFERENCE. MEANTIME, MALACCA STRAIT COUNCIL, BODY OF JAPANESE SHIPPERS AND OIL IMPORTERS, WORKING CLOSELY WITH COASTAL STATES TO STUDY NEW RULES FOR STRAIT TRAFFIC, SUCH AS ONE-WAY ROUTES, LIMIT ON

NUMBER OF TANKERS IN WATERWAY AT GIVEN TIME. ALSO
CITES COASTAL STATES' OFFICIALS WHO SEE NO MAJOR
PROBLEM FOR US, SOVIET NAVAL WARSHIPS, PROVIDED
PASSAGE DOES NOT POSE SECURITY THREAT.

COMMENT AND ANALYSIS

11. CHINA

S-N'S BRADSHER CITES PRC COMPLAINT THAT SOVIET NOW
LAYS CLAIM TO PARTS OF TADZHIK AREA OF SINKIANG.
PEKING'S CHARGE APPEARS IN LENGTHY, AUTHORITATIVE
ARTICLE IN NEW HISTORICAL JOURNAL PUBLISHED IN CHINA
LAST MONTH AND NOW AVAILABLE IN US. BRADSHER SAYS

WHILE PRC IS NO LONGER EMPHASIZING DANGER OF SOVIET
ATTACK, BUT IS MAKING ITS DISPLEASURE MORE OBVIOUS
OVER CONTINUED US RELATIONS WITH ROC, THERE IS NO
SUBSTANTIAL EVIDENCE PEKING MIGHT GRAVITATE BACK
TOWARD COMMUNIST ALLIANCE. CHINA IS SEEKING GREATER
FLEXIBILITY IN FOREIGN POLICY, BUT THIS HISTORICAL
ARTICLE MAKES CLEAR CRITICAL DIFFERENCES REMAIN
WITH MOSCOW. ARTICLE DOES NOT EXPLAIN JUST WHAT
SOVIET WANTS TO DO, WHAT SORT OF FURTHER CLAIM SHE
HAS MADE ON AREA OR WHERE AND WHEN SOVIET MIGHT HAVE
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ASSERTED CLAIM TO THIS REGION.

BRADSHER FINDS NO PREVIOUS INDICATION SOVIET MIGHT
HAVE CLAIMED AREA MENTIONED IN ARTICLE DURING EARLIER
SINO-SOVIET BORDER NEGOTIATIONS. IN FACT, THIS SEEMS
MOST UNLIKELY TO LONGTIME STUDENTS OF BORDER ISSUE.
THEREFORE, JUST WHY PEKING CHOSE TO RAISE ISSUE NOW
IS UNCLEAR, BEYOND ARTICLE'S CHARGE THAT IT SHOWS
PRESENT SOVIET LEADERS ARE "EVEN MORE AMBITIOUS IN
AGGRESSION" THAN OLD TSARS (JAN 9).

NY FEDERAL RESERVE BANK ECONOMIST J.O. RONALL, IN NYT (JAN
5), CITES CHINA'S CHANGING ROLE IN WORLD OIL ECONOMY,
FROM IMPORTER IN 1958 OF 2.5 MILLION TONS
OF PETROLEUM PRODUCTS FROM SOVIET TO POINT WHERE,
SINCE 1962, NO IMPORTS HAVE BEEN RECORDED (EXCEPT
FOR SMALL QUANTITIES OF SPECIAL AIRCRAFT LUBRICATION
OILS), AND SHE HAS BECOME OIL EXPORTER. CAUTIONS
THAT IN DISCUSSING CHINA'S OIL DEVELOPMENT,
MUST BE REMEMBERED PEKING PUBLISHES ALMOST NO
MEANINGFUL DATA ON HER ECONOMY, AND ANALYST HAS TO
PIECE TOGETHER DATA FROM DIFFERENT SOURCES, MAKE
CONJECTURES AND RELATE THIS UNEVEN INFO TO FEW KNOWN
FACTS -- AND FINAL ESTIMATES MUST ALWAYS BE TAKEN WITH
CAUTION.

EVEN CONSIDERING RESERVATIONS ABOUT CHINESE STATISTICS, THIS SEEMS IMPRESSIVE DEVELOPMENT. WHILE SO FAR DECLINING ALL US AND JAPANESE INQUIRIES ON JOINT DEVELOPMENT, THERE SEEMS PROMISING MARKET IN CHINA FOR SALES OF MORE EQUIPMENT, TECHNICAL ADVICE AND ASSISTANCE AND FOR SERVICE CONTRACTS. THIS KIND OF FOREIGN COOPERATION SEEMS URGENTLY NEEDED FOR DEVELOPMENT OF CHINA'S OIL INDUSTRY. GIVEN VIGOROUS DEVELOPMENT OF INDUSTRIAL SECTORS, INCLUDING OIL PRODUCTION ITSELF, INFRASTRUCTURAL DIFFICULTIES IN CHINA MAY BE OVERCOME EARLIER THAN EXPECTED.

SO FAR, PRC'S OWN OIL CONSUMPTION HAS BEEN LOW, BUT

IS RISING AS SHE EXPANDS HER USE OF SHIPS, MOTORIZED
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JUNKS, DIESEL LOCOMOTIVES, TRUCKS AND OTHER OIL-USING MACHINERY. THIS EXPANSION WILL CONTINUE AS CHINA EMPHASIZES AGRICULTURALLY ORIENTED INDUSTRIES. ONE INTERESTING POLITICAL NOTE IS CONTAINED IN RECENT PRC OFFERS OF CRUDE OIL TO GERMANY AND AUSTRALIA. THIS SEEMS REACTION TO CHINA'S REALIZATION THAT ITS SUPPORT OF ARAB "OIL WEAPON" DOES NOT HARM SUPERPOWERS AS MUCH AS IT DOES WE COMMUNITY -- GROUP PEKING PROBABLY WISHES TO SEE STRENGTHENED UNTIL IT COULD EFFECTIVELY OPPOSE INFLUENCE AND EXPANSION OF US AND SOVIET.

PETER WEINTRAUB, ASSISTANT EDITOR OF US-CHINA BUSINESS REVIEW, WRITES (NYT, JAN 5) OF MANY OPTIONS OPEN TO PRC IN DEPLOYING HER OIL RESOURCES. JAPAN'S OPERATING WITH SOVIETS IN SIBERIAN PROJECT WAS REGARDED IN PEKING AS THREATENING CHINA'S STRATEGIC POSITION AND UNDERMINING MAINTENANCE OF POWER BALANCE IN WESTERN PACIFIC. SO, PRC ACTED, SUCCESSFULLY IT SEEMS, TO INDUCE TOKYO AWAY FROM MOSCOW BY MEANS OF CHINESE BRAND OF OIL DIPLOMACY. STRATEGIC IMPLICATIONS OF TYUMEN PROJECT WERE NOT LOST ON POLITICALLY SENSITIVE JAPANESE; CHINA SEEMED TOO IMPORTANT TO ALIENATE OVER SOVIET OIL.

SUBSTANTIAL EXPENDITURES OF CHINESE CAPITAL AND MANPOWER WILL UNDOUBTEDLY BE GIVEN TO DEVELOPMENT OF DOMESTIC PETROLEUM AND COAL INDUSTRIES. OIL DIPLOMACY APPARENTLY WILL BECOME PERMANENT FEATURE OF CHINESE FOREIGN POLICY. PRC OIL WILL PROBABLY BE SHIPPED TO US, AUSTRALIA AND OTHER INDUSTRIALIZED COUNTRIES, WHEN PEKING BELIEVES JAPANESE ARE SECURE FROM SOVIET PETROLEUM OVERTURES AND DEVELOPING SEA COUNTRIES ARE CONFIDENT CHINA REPRESENTS STEADY SOURCE OF OIL.

12. INDOCHINA

IN LEAD EDIT ON FALL OF PHUOCBINH, WP HOPES
CONGRESS "WILL LISTEN, AND QUESTION, CAREFULLY"
APPEAL BY PRESIDENT FOR MORE AID TO VN. CONGRESS
SHOULD UNDERSTAND THAT SOME OF CONSEQUENCES OF US
BEING SEEN TO BE LETTING THIEU GO WOULD INVOLVE
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TURMOIL AND RECRIMINATION AT HOME AND CERTAIN
DEVALUING OF US CREDIBILITY ABROAD. BUT ADMIN.
SHOULD UNDERSTAND THAT IT HURTS ITS OWN CHANCES IF
APPROACH TO CONGRESS IS LIMITED TO OR CENTERED ON
REQUEST FOR MILITARY AID.

SPECIFICALLY, PRESIDENT AND HAK SHOULD REPORT WHAT

US IS DOING TO INDUCE THIEU TO FULFILL ACCORDS
REQUIREMENT FOR HIM TO JOIN PRG IN NCRC TO ORGANIZE
ELECTIONS FOR NEW GOVERNMENT. AND THEY SHOULD REPORT
WHAT NEW DIPLOMATIC INITIATIVES ARE UNDER WAY WITH
USSR AND PRC TO LIMIT FURTHER FLOW OF WEAPONS TO
BOTH SIDES.

CSM'S HARSCH SAYS TO MANY VETS OF SEA WARS AMAZING
THING IS NOT POWER OF COMMUNIST ATTACKS IN SVN AND
CAMBODIA, BUT FACT THAT RESISTANCE IS SO STURDY TWO
YEARS AFTER US TROOPS LEFT AREA. SUGGESTS IT IS
EASY TO EXAGGERATE DAMAGE TO SAIGON AND PP; MORALE
IN BOTH CAPITALS SEEMS SOUND, AND PEOPLE IN BOTH
STILL ARE "VOTING WITH THEIR FEET" FOR NON-COMMUNIST
SIDE WHEN THEY CAN. NO ONE IN WASHINGTON EXPECTS
ANY MAJOR COMMUNIST VICTORIES OR ANY ANTI-COMMUNIST
POLITICAL COLLAPSE DURING THIS FIGHTING SEASON.
"THIS IS ATTRITION WARFARE." BUT DISTURBING THING
TO US IS LONG-TERM IMPLICATION BEHIND COMMUNIST
INITIATIVE. THIEU IS BUYING TIME BY LETTING PHUOC
BINH GO WITHOUT SPENDING DANGEROUSLY -- BUT BUYING
TIME IS STRATEGY THAT WORKS ONLY FOR SIDE THAT CAN
BEST USE TIME.

13. GENERAL

CDN'S KEYES BEECH, IN HK, PREDICTS THAT IF 1974 WAS
"STINKER" FOR ASIA AND REST OF WORLD, 1975 PROMISES
TO BE WORSE. BEDEVILED BY INFLATION AND RECESSION,
HARDLY ONE GOVT BETWEEN NEW DELHI AND TOKYO COULD
COUNT ITSELF SECURE. IN JAPAN, "WHICH BELONGS TO
ANOTHER PLANET, A SELF-MADE MULTIMILLIONAIRE
YIELDED THE REIGNS OF GOVERNMENT TO A MAVERICK
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POLITICIAN WITH A REPUTATIONUASI'MR. CLEAN.' HOW
LONG HE WILL LAST IS ANOTHER MATTER. IN BURMA,
PROBABLY THE MOST MISMANAGED COUNTRY IN ASIA,"
WORLD WAS TREATED TO MACABRE TUG-OF-WAR BETWEEN
MILITARY GOVT AND STUDENTS OVER U THANT'S EARTHLY
REMAINS; ARMY'S VICTORY MAY BE TEMPORARY. IN JAKARTA,
STUDENT UNREST OVER RAMPANT CORRUPTION THREATENED
TO EXPLODE UNDER SUHARTO, "WHO COULDN'T FORGET
THAT HE CAME TO POWER THROUGH A STUDENT REVOLUTION."
THERE WERE STUDENT RIOTS IN MALAYSIA; NOR WAS
SINGAPORE IMMUNE, AND "WIT CHARACTERISTIC EFFICIENCY,
LEE CAME DOWN HARD ON DISSIDENT STUDENTS."

THAILAND "MOVED UNCERTAINLY TOWARD DEMOCRACY. . .
AFTER THE FIRST GLOW OF ENTHUSIASM OVER THEIR NEWLY
ACQUIRED FREEDOM, THAIS CAME TO THE UNORIGINAL
CONCLUSION THAT WHILE STUDENTS MAY OVERTHROW GOVERNMENTS,
THEY CAN'T RUN THEM. . . IN CAMBODIA, THERE WAS A
(MILITARY) STALEMATE BORN OF MUTUAL INCOMPETENCE. IN
THE PHILIPPINES AND SOUTH KOREA, CHRISTIANS EMERGED
AS A MORAL FORCE FOR FREEDOM AND DEMOCRACY UNDER
AUTHORITARIAN GOVERNMENTS. . . (PARK), HAVING DECIDED
HE IS INDISPENSIBLE, KICKED OUT AN AMERICAN MISSIONARY"
AND JAILED KOREAN CHRISTIANS "WITH FINE DISREGARD
FOR WHETHER THEY WERE CATHOLIC OR PROTESTANT. . .
IN JAPAN, PEOPLE WERE COMPLAINING BECAUSE THEY HAD
TO GIVE UP MEAT -- WHILE IN INDIA AND BANGLADESH
THOUSANDS OF PEOPLE WERE STARVING TO DEATH" (BALTO
N-A, JAN 7).

GLOBE'S STORIN, IN TOKYO, FINDS THAT ASIA'S RELIGIOUS
LEADERS CAN BE COUNTED IN FRONT LINES OF "WEARISOME
STRUGGLE FOR HUMAN RIGHTS." CITES LETTER TO FRIENDS
WRITTEN BY FR. DE LA TORRE AND SMUGGLED OUT OF PHIL
MILITARY STOCKADE, ATTESTING TO HIS CONTINUING
STRUGGLE AGAINST OPPRESSIVE GOVT. ALSO LAUDS BATTLE
OF REV. SINNOTT AND CARDINAL KIM IN SK, REV. TRAN
HUU THANH IN SVN, AND ARCHBISHOP SIN OF MANILA.
KISSINGER

UNCLASSIFIED

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 26 AUG 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EA PRESS SUMMARY
Control Number: n/a
Copy: SINGLE
Draft Date: 10 JAN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Source: ADS
Document Unique ID: 00
Drafter: EA/P:STAFF:PP
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Film Number: D750011-1191, D750011-1126
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750189/baaaagmq.tel
Line Count: 584
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Office: ORIGIN EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 11
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: buchant0
Review Comment: n/a
Review Content Flags:
Review Date: 15 JAN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <15 JAN 2003 by daviscw>; APPROVED <07 JAN 2004 by buchant0>
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US Department of State
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05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: n/a
TAGS: PFOR, XC, US
To: ALEAP
DEPT OF THE TREASURY
BIEN HOA
CAN THO
DANANG
HONG KONG

NHA TRANG
JEC PARIS INFO USSAGE
CINCPAC
COGARD
BUDAPEST BY POUCH
SUVA
RANGOON

Type: TE

Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006